

Travel Calendar
October 17, 2007
Ogden, Utah

Note: This case summary has been prepared for educational purposes only, as a convenience for students, the public, and the press. It has been prepared by court staff and does not necessarily reflect the judges' views about the case.

Terry v. Wilkinson Farm Service Company

Plaintiff Donald Terry inherited from his mother one share of stock in Defendant Wilkinson Farm Service Company (Wilkinson). While trying to negotiate a buyout of his share, Terry learned that Wilkinson's original articles of incorporation, dated 1927, limited the company's duration to fifty years, that is, until 1977. Terry tried to force the company to end its business so that he could get a good price for his share. Then, at the invitation of the Division of Corporations, a government agency overseeing corporations, Wilkinson submitted amended articles of incorporation to fix the time-limit problem and make the company's existence continuing and not limited. Terry then sued Wilkinson. Both parties thought they were correct and asked the judge, through cross-motions for summary judgment, to decide the issue without the need for a trial; the judge decided in favor of Wilkinson. Terry argues that the trial court erred by applying current law--which provides the Division of Corporations with the exclusive authority to dissolve a corporation and would allow for the continued existence of the company--instead of prior law--which would have arguably meant that the corporation had ceased to exist in 1977 after the fifty years had passed. Terry also argues that the trial court erred in applying the doctrine of laches, which would prevent him from bring the case if he "unreasonably delayed" bringing this case. Terry argues that his delay was reasonable because his mother, from whom he inherited the stock, did not understand the legal consequences of the

charter expiring in 1977, but instead, she thought that the corporation continued to be in existence after that date.